

VZCZCXRO5247
RR RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK
DE RUEHAK #1735/01 1871450
ZNR UUUUU ZZH
R 061450Z JUL 07
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC 2873
INFO RUCNRAQ/IRAQ COLLECTIVE
RUCPDOG/USDOC WASHDC
RHEBAAA/DEPARTMENT OF ENERGY WASHDC
RHEFDIA/DIA WASHDC
RUEHAK/USDAO ANKARA TU
RUEAIIA/CIA WASHDC
RUEKJCS/SECDEF WASHDC//USDP:PDUSDP/ISA:EUR/ISA:NESA//
RHEHAAA/NSC WASHDC
RUEUITH/ODC ANKARA TU
RUEKJCS/JOINT STAFF WASHDC//J-3/J-5//
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK
RHMFIUU/HQ USEUCOM VAIHINGEN GE
RHMFISS/HQ USCENCOM MACDILL AFB FL
RHMFIUU/425ABS IZMIR TU//CC//
RHMFIUU/39ABG INCIRLIK AB TU
RUEPGAB/MNF-I C2X BAGHDAD IZ

UNCLAS SECTION 01 OF 02 ANKARA 001735

SIPDIS

USDOE FOR CHARLES WASHINGTON
USDOC FOR 4212/ITA/MAC/CPD/CRUSNAK

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ENRG](#) [EPET](#) [PREL](#) [TU](#) [IZ](#)

SUBJECT: Turks Positive on Iraq Neighbors Energy Group

SENSITIVE BUT UNCLASSIFIED

¶1. (SBU) Summary. In separate July 5 meetings, MFA Iraq Special Envoy Oguz Celikkol and Iraq desk official Yagmur Guldere gave positive readouts of the June 28-29 Energy Working Group (EWG) experts meeting of the neighboring countries of Iraq. The Iraqi participants gave detailed presentations of urgent needs for electric power and refined petroleum products, and all participating neighbors expressed their political support to contribute reconstruction and development efforts. The EWG produced a "final statement" to be presented to Ministers at their next meeting, and provided a "good solid foundation" for future cooperation. Although invitations and agendas are the responsibility of Iraq, Turkey hopes to host future EWG meetings and to include private-sector participants in some way. Turkey hopes that the security and refugees working groups will meet soon (and is hearing reports to that effect from Damascus and Amman) before another Ministerial level meeting that could take place in September. Celikkol asked if the USG would be represented in the other working group meetings: he thought U.S. participation would be especially relevant for the security group. End Summary.

¶2. (SBU) Thirty seven participants attended the June 28-29 meetings in Istanbul. In addition to Turkey and Iraq, political and technical level delegations attended from Iran, Kuwait and Egypt, while Jordan, Kuwait, Iran, the Arab League, the Organization of the Islamic Conference, and the UN sent observers. A Syrian delegation did not attend. Guldere said the Turks were mystified as to why Jordan (which sent its ambassador from Ankara) had been invited as an observer rather than a full participant, but that this was the Iraqis call.

¶3. (SBU) The Iraqis made two presentations: electricity and refined products. They described their \$2 billion "electricity master plan," which includes new power generation and reconstruction of transmission capability through 2010 plus electricity imports from Turkey, and participation in the Arab Electrical Network. Guldere said they had separate discussions with the Iraqis about the plan to increase Turkish electricity exports from the current 270 MW to 1200 MW. The Iraqis provided reassuring information about the

construction of transmission capacity within Iraq. He said that the Turkish company exporting electricity, Kartet, is also discussing with the Iraqis the provision of two floating power stations at Basra port.

¶4. (SBU) The presentation on refined products described an urgent need for kerosene, LPG, and transportation fuels. Guldere said these long presentations described a "difficult" situation on the ground due to security problems and the "lacking of everything." Neighboring countries responded with supportive suggestions. Iran discussed the construction of a new pipeline from its Abadan refinery to Basrah and its readiness to aid construction of new refineries inside Iraq. GOT appreciated Iraq's efforts to curtail smuggling and describe new Turkish import regulations that would facilitate the import of heavy fuel oil (HFO) from Iraq but consolidating the imports under a single Turkish company, the state-owned TPIC. This could lead to a "ten-fold increase" in HFO imports. The Iraqis also expressed an interest in receiving fuel products from Turkey by railroad (which passes through Syria). Kuwaiti and Egyptian participants discussed offers of technical assistance, training, and the supply of spare parts.

¶5. (SBU) Celikkol and Guldere called the meeting a success that built a "good solid foundation" for future efforts. They said Iraq requested that Turkey continue to serve as the host for the EWG and that Turkey had agreed to do so (although Kuwait and Iran also offered to host future meetings). Guldere thought the next meeting should take place after the next meeting of the Foreign Ministers of the neighboring countries of Iraq expected sometime this fall. This will allow ministerial-level coordination of all three working groups and include inputs from up-coming meetings of the Displaced Persons Working Group and Security Working Group later this summer.

ANKARA 00001735 002 OF 002

During the next meeting of the EWG, efforts will be made to include private-sector participants.

¶6. (U) Following is the text of the FINAL STATEMENT from Iraq's Neighbouring Countries Energy Working Group Experts Meeting held in Istanbul, 28-29 June 2007:

As agreed at the enlarged neighbouring countries of Iraq Foreign Ministers Meeting held at Sharm el Sheikh, Egypt on 3-4 June 2007, an Energy Working Group (EWG) is established together with a Security Working Group and a Displaced Persons Working Group.

Upon the suggestion of the Iraqi Government, Turkey hosted the initial EWG meeting in Istanbul on 28-29 June 2007.

Responding positively to the Iraqi Government's invitation, Egypt, Iran, Jordan, Kuwait, Turkey and Arab League, Organization of Islamic Conference and United Nations participated in the EWG meeting.

The initial EWG meeting allowed Iraq to make presentations during the sessions effectively describing the needs and opportunities in the oil, gas and electricity power sectors. In its two presentations, the Iraqi Delegation exposed the actual situation on the ground in a detailed manner.

The participants recognized the urgency of the need of assistance to Iraq in these fields and the humanitarian aspect of the problem.

The participants also reiterated their political will to contribute to the reconstruction and development needs of Iraq in these three sectors.

The participants decided to exert every effort for expediting the implementation of existing agreements between Iraq and the other participants concerning cooperation on electricity.

The participants agreed to consider the proposals and recommendations presented by the Iraqi delegation on improving the existing cooperation in the fields of oil and electricity. The participants presented their views and suggestions for further developing their cooperation with Iraq in these areas.

The participants also discussed the technical means with which to put into effect their contributions. The participating states agreed to inform their respective private sectors in order to allow an amelioration of their contributions.

In accordance with the spirit and the political guidance of Sharm el Sheikh Ministerial Meeting, participants agreed that the EWG meetings should constitute a continuous process and that further meetings of the Group will be useful and necessary.

Participants thanked Turkey for hosting the first meeting of the Working Groups established at Sharm el Sheikh and took note of the offers presented by to host the next Experts Level EWG meeting.
Wilson